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No. 00-1543

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

FESTO CORPORATION,
Petitioner,

v.

SHOKETSU KINZOKU KOGYO KABUSHIKI CO., LTD., A/K/A SMC CORPORATION AND SMC PNEUMATICS, INC.,
Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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BRIEF OF *AMICUS CURIAE* NATIONAL INTELLECTUAL PROPERTY LAW INSTITUTE IN SUPPORT OF PETITIONER

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INTEREST OF THE *AMICUS CURIAE*

The National Intellectual Property Law Institute, *amicus curiae*, files this brief in support of the petition to overrule the decision of the United States Court of Appeals for the Federal Circuit in the case at bar.[1]

The *amicus curiae*, the National Intellectual Property Law Institute, is an academic research and teaching institution which limits its research and teaching to the field of intellectual property laws. It seeks by its scholarship to foster philosophically sound policies in patent, trademark, copyright, and trade secret laws and the embracement of new computing technologies by the law, the legal profession and legal institutions.

The National Intellectual Property Law Institute (NIPLI), a non-profit 501(C)(3) institution, is located in downtown Washington, D.C. at 1815 Pennsylvania Avenue, NW, Suite 300, Washington, D.C. 20006.

SUMMARY OF ARGUMENT

The United States Court of Appeals for the Federal Circuit (C.A.F.C.) has adopted a prosecution history estoppel doctrine (estoppel doctrine) that bars the use of the doctrine of equivalents if any change limiting the scope of a claim in a patent application is made during the prosecution process, irrespective of the reason for the change. This estoppel doctrine is a radical departure from existing law. Under the existing law, the doctrine is limited to cases in which the patent applicant is forced to amend, as otherwise the applicant would not have a patentable invention at all. In the history of

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[1] Written consent to the filing of this brief has been obtained from the petitioner and respondents and is being filed herewith. No counsel for a party authored this brief in whole or in part and no person or entity, other than the *amicus curiae*, its members, or their counsel made a monetary contribution to the preparation or submission of this brief.

patent law, prosecution history estoppel has always been applied when there was a problem with the expression of a claim being expressed as originally filed due to invalidity. Under the new C.A.F.C. created estoppel doctrine, all amendments that result in a narrowing of any element of any claim is completely barred from use of the doctrine of equivalents to protect their invention. This rule is given retrospective application, applying to all existing patent holders and applicants.

There are 1.2 million United States patents being held today. We argue that the change in the estoppel doctrine puts these patents at risk of loss. These patents are vested property rights and cannot be taken or stripped of their value without violation of the Fifth Amendment of the United States Constitution. *See* U.S. CONST. amend. V. Further, it is bad public policy as it disables inventors and deincentivises them from continuing to make the large contribution which they have made in pushing back the frontiers of science producing cures for human diseases and otherwise improving the lives of the people in the United States and around the world.

The owners of patents under existing law own personal property 35 U.S.C. § 261 with vested rights arising out of the equivalencies that were left open to them by pre-existing patent law. *See Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997). The Federal Circuit's decision would result in the divestment of these vested patent rights. This point is further highlighted by Judge Linn's opinion, in which Judge Rader joined, where he wrote:

> Because claims are commonly amended during prosecution, prosecution history estoppel touches almost every doctrine of equivalents infringement analysis. *See Loctite*, 781 F.2d at 871, 228 U.S.P.Q. at 96. Although a complete bar would provide bright line enhancement of the notice function of claims, it unfairly subjects almost every patentee to the mercy of verbalism at an early stage of development. *See Graver Tank*, 339 U.S. at 607. Rather than promote technological growth, the majority's new rigid rule will effect a serious invasion of the patentee's security of receiving the full benefit of his invention and is likely to be a disincentive to early disclosure of new inventions and discoveries. I see no substantial cause for the majority's drastic action, and I must, respectfully, dissent from the pronouncement that any time a claim limitation is narrowed by amendment for any statutory purpose, regardless of the nature and extent of the change, prosecution history estoppel completely bars the application of the doctrine of equivalents.

See *Festo v. SMC*, 2000 U.S. App. LEXIS 29979 (Fed Cir. Nov. 29, 2000) (Linn, J., dissenting).

The United States Court of Appeals for the Federal Circuit, seems to directly challenge the unanimous decision of the United States Supreme Court in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), and has shaken the very foundation of the American patent system. The public, the bar, and investors have a right to rely upon the authority articulated by a unanimous decision of the United States Supreme Court. They should be able to rely on the Court in shaping their affairs and choosing their investment policy and in the making of license agreements with assignees and users of the various patent rights which they have created.

It is therefore with a sense of the highest urgency that *amicus curiae* respectfully request this Honorable Court to reverse the decision of the United States Court of Appeals for the Federal Circuit in the case at bar.

ARGUMENT

I. IN FESTO V. SMC, THE COURT OT APPEAL FOR THE FEDERAL CIRCUIT EFFECTIVELY OVERRULES THE UNITED STATES SUPREME COURT'S WARNER-JENKINSON V. HILTON-DAVIS DECISION

The principal issue before the Court is whether or not the prosecution history estoppel doctrine should be held within its traditional limits, namely where there is a question of patentability, or whether the doctrine of prosecution history estoppel should be expanded to cover every claim amendment made during the prosecution history of an application as held by the United States Court of Appeals for the Federal Circuit in *Festo. Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., a/k/a SMC Corporation, and SMC Pneumatics, Inc.*, 234 F.3d. 558 (2000). Further, embedded in these issues is whether the doctrine of equivalents is a viable doctrine after the *Festo* ruling.

In *Warner-Jenkinson*, the United States Supreme Court ruled that while "prosecution history estoppel [is] a legal limitation on the doctrine of equivalents", it is incorrect to conclude "that the *reason* (emphasis added) for an amendment during patent prosecution is irrelevant" to the subsequent application of the prosecution history estoppel doctrine. *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17; 1997 U.S. LEXIS 1476, at *11 (U.S. Mar. 3, 1997). The Court further observed that

> prosecution history estoppel was tied to amendments made to avoid the prior art or otherwise to address a specific concern such as obviousness that arguably would have rendered the claimed subject matter unpatentable. Thus, in *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126 (1942), Chief Justice Stone distinguished inclusion of a limiting phrase in an original patent claim from the "very different" situation in which

> "the applicant, in order to meet objections in the Patent Office, *based on references to the prior art*, adopted the [limiting] phrase as a substitute for the broader one" previously used.

Warner-Jenkinson, 1997 U.S. LEXIS 1476, at *11 *quoting* 315 U.S. 126, 136, 62 S. Ct. 513, 86 L.Ed. 736 (1942) (emphasis added [by the Court]). . . .

The *Warner-Jenkinson* Court further observed that in each case where it probed the reasoning behind the Patent Office's demand for a change in the written description of a claim, it was because the applicant was "not describing a patentable invention at all." *Warner-Jenkinson*, 1997 U.S. LEXIS 1476, at *12.

But on the other hand, the United States Justice Department, arguing on behalf of the U.S. Patent and Trademark Office (PTO), advised that where

> . . . [t]he PTO has been requesting changes in claim language without the intent to limit equivalents or, indeed, with the expectation that language it required would in many cases allow for a range of equivalents, we should be extremely reluctant to upset the basic assumptions of the PTO without substantial reason for doing so. Our prior cases have consistently applied prosecution history estoppel only where claims have been amended for a limited set of reasons, and we see no substantial cause for requiring a more rigid rule invoking an estoppel regardless of the reasons for a change.

Id. The Court further noted:

> [T]hat petitioner's rule might provide a brighter line determining whether a patentee is estopped under certain circumstances is not a sufficient reason for adopting such a rule. This is especially true where, as here, the PTO may have relied upon a fexible rule of estoppel when deciding whether to ask for a change in the first place. To change so substantially the rules of the game

> now could very well subvert the various balances the PTO sought to strike when issuing the numerous patents which have not yet expired and which would be affected by our decision.

Warner-Jenkinson, 1997 U.S. LEXIS 1476, at *12, n.6. The United States Court of Appeals for the Federal Circuit (the C.A.F.C.) decided to overrule the United States Supreme Court's guidance that their "prior cases have consistently applied prosecution history estoppel *only* where claims have been amended for a *limited set of reasons . . .*" *Id.* at *12. The undaunted *Festo* Court rules that "a narrowing amendment made for *any reason* related to the statutory requirements for a patent will give rise to prosecution history estoppel with respect to the amended claim element." *Festo v. SMC*, 2000 U.S. App. LEXIS 29979 at *11. The C.A.F.C. has thereby greatly expanded the domain in which the prosecution history estoppel doctrine may roam. And wherever it roams, "there is no range of equivalents available for the amended claim element. Application of the doctrine of equivalents to the claim element is completely barred (a 'complete bar')". *Id.* at *13.

This greatly expanded reach of the prosecution history estoppel doctrine was further specifically declined by the U.S. Supreme Court in *Warner-Jenkinson* on the ground that the PTO may have relied upon a flexible rule of estoppel when deciding to ask for a change in the first place. "To change so substantially the rules of the game now could very well subvert the various balances the PTO sought to strike when issuing the numerous patents which have not yet expired and which would be affected by our decision." *Warner-Jenkinson*, 1997 U.S. LEXIS 1476, at *12. In spite of this warning, the C.A.F.C. has subjected all existing patents retroactively to its roaming doctrine of prosecution history estoppel. It has ordered that all existing patents are now subject to substantial limitations if any claim was narrowed for any reason during

prosecution. These existing patentees, under the C.A.F.C. in *Festo*, are completely barred from use of the doctrine of equivalents.

In making this rule, the Federal Circuit has placed in jeopardy 1.2 million existing patents. The rule of *Festo* thereby divests long vested rights of existing patent holders in violation of the Fifth Amendment of the United States Constitution. *See* U.S. CONST. amend. V.

The United States Government, under 35 U.S.C. § 200 *et seq.*, which funds over 59% of the annual basic research budget of the national research universities of the United States, and nearly 100% of the budgets of the national laboratories of the United States, has a financial exposure in excess of one trillion dollars.

It is therefore a matter of the highest priority and of the greatest urgency that the United States Supreme Court resolve this divergent decision of the C.A.F.C. At risk is the untold value of all existing United States patents.

II. FORFEITING THE RESULTS OF U.S. RESEARCH

The United States is currently a primary source of new technology in the world, spending ten times more on basic research than the other G-8 nations combined, and envisions itself as remaining as such in the future. *See* Bailey Morris, *Hands-On Spells Danger*, INDEPENDENT, Feb. 28,1993, available in LEXIS, News Library, CURNWS File; Guy Webster, *New Satellite-TV to Air in Spring*, ARIZ. REPUBLIC, Dec. 26, 1993, available in LEXIS, New Library, CURNWS file (quoting technology forecaster and author Daniel Burrus). Both the public and private sectors in the United States invest large amounts of capital ($158 billion in 1991 and an estimated $249 billion in 2000) each year in research and development (R&D) of new technology. *See* Tim Studt, *$158 Billion and Holding for U.S. R&D in 1991*, RES. & DEV., Jan

1991, at 38, 38 (assessing overall U.S. R&D expenditures for 1991 at $158 billion.) Currently, however, the return on U.S. technology introduced into the global market is not sufficient to cover the overwhelming cost of its production. *See id.* at 38, 42. While the necessary foundations for the utilization of new technology already exists in the United States, this country must restructure its efforts to ensure that it is able to use new technology to successfully accumulate wealth and excel in the global marketplace.

For every dollar spent on basic research in the United States, *See* NAT'L SCI. FOUND., NSF 92-307, RESEARCH AND DEVELOPMENT IN INDUSTRY: 1989, at 33 (1992) (defining basic research as "original investigations for the advancement of scientific knowledge not having specific immediate commercial objectives, although such investigations may be in fields of present or potential interest to the reporting company"), *ten dollars* (emphasis added) is needed to reach advanced development, *See id.* (defining development as "technical activities of a nonroutine nature concerned with translating research findings or other scientific knowledge into products or processes"), and an additional *one-hundred dollars* (emphasis added) is necessary to reach a manufacturing stage. Brian Deagon, *Leader's Success*, INVESTOR'S BUS. DAILY, Mar, 17, 1993, available in LEXIS, News Library, CURNWS File. Of the approximately $249 billion spent each year on R&D, much is allocated for basic research. *See* William Neikirk, *Wonders of Technology Could Boost Economy*, CHI. TRIB., Feb. 25, 1993, at 1, 12, 13. The 1992 federal R&D budget, totaling $100 billion, is divided between military and civilian projects. *Id.* at 12.

Federal expenditures on basic R&D are often in the form of grants to companies who have formulated a proposal as to the type of new technology they seek to create. *See generally* Barbara Ettore, *Working with the Feds,* MGMT. REV., Feb. 1994, at 46, 47 (providing an outline of federal R&D grant programs.) Each grant recipient produces its own research

data in conjunction with the government in the hope of achieving the desired technological goal. *See id.* Extreme modification of patent rules upon which the Congress has relied, *See* 35 U.S.C. §200 *et seq.*, may produce numerous unintended consequences upon the funding system and may result in practical problems that could hinder the effectiveness of the government funding programs.

The confinement of the right to exclude strictly to the letter of the claims of a patent, coupled with the broad application of prosecution history estoppel, is anathema to protecting the results of basic research.

In 1998, an estimate of $26.3 billion dollars was spent for research and development (R&D) at U.S. academic institutions *See* SCIENCE AND ENGINEERING INDICATORS, 2000; NATIONAL SCIENCE BOARD, Arlington, VA; NATIONAL SCIENCE FOUNDATION, 2000 (NSP-00-1). Of this total amount, $15.6 billion was provided by the Federal Government, $5.0 billion by academic institutions, $2.1 billion by state and local governments, $1.9 billion by industry, and $1.8 billion was derived from other sources (foundations, non-profits, gifts, etc.) The Federal Government thus supplied about 59% of the total R&D funding in academia.

Academic activities have been and continue to be heavily concentrated in basic research. In 1998, 69% of the total R&D expenditures went for basic research, 24% for applied research, and 7% for development.

Since the passage of the Bayh-Dole Act in 1980 (35 U.S.C. §200 *et seq.*), the university sector has become increasingly active in the transfer of technology, resulting from R&D activities. Technology is transferred from the University to the public through the private sector. United States patents and foreign patents, are the vehicles in which this technology is made. Today, the academic sector is responsible for issuing about 3% of all U.S. origin patents. The nature of these

patents, arising as they do primarily from basic research, tend to be unique. Many of them represent the basis for totally new products or even new industries (i.e. witness the bio-technology industry which found its origin in the university-based research.)

Because of the often basic nature of the inventions and discoveries patented and in light of the ongoing research programs which may later serve to more clearly demark such inventions and discoveries, it is extremely difficult to precisely define the metes and bounds of a given invention at the outset, or all of the alternatives available, the practice of which may achieve the same result in substantially the same way. To deprive such patented inventions and discoveries of the flexible interpretation accorded by the doctrine of equivalents or to limit them to the literal language of amended claims would open the door to copyists, in particular foreign companies and countries, to appropriate the fundamental concept of those discoveries and inventions.

The research community, national laboratories and university sector has thousands of patents in its cumulative portfolio, many of which have been licensed to the private sector for further development to the point of commercial application. The companies to whom licenses have been issued have been or are engaged in costly development efforts in the expectation that their efforts will be protected from competition under the licensing arrangements so as to permit them to, at minimum, recoup the investment that has been made in the development phase. Moreover, there is an expectation by the research community that revenue in the form of fees and payments will accrue to it to defray the costs of research and patenting, the costs of the technology transfer function, and return additional funds to the research community to support additional research.

It is quite conceivable and, in fact, likely, that the decision by the Court of Appeals for the Federal Circuit in *Festo*, may

well send competitors to these licensees, particularly where the license is exclusive, to review, in detail the prosecution history of the patents and/or patent applications under which the license has been granted to detect any amendment that may be construed as a trigger to invoke prosecution history estoppel. This is one of the nefarious effects of this decision discarding the "flexible rule" approach. It tends to foster and reward copying rather than inventions. Obviously, the unavailability of the doctrine of equivalents applied to any such amendments, as expressed in the claims, would also be carefully reviewed. The penultimate effect could be that licensees would terminate their license agreements to rely upon trivial changes to distinguish over the licensed patents. Competitors too, would seek to distinguish in the same manner. In fact, the hallmark of the American system over the Japanese system has been that patent is only a reward for true inventive step, rather than a mere minor or slight change from the *status quo*.

If a licensee perceived that a competitor, through insubstantial or trivial amendments to a product or process could avoid infringement, there would remain little incentive for the licensee to continue its commercial development program. There would no longer be a risk to benefit ratio that would induce the licensee to continue to finance development and market development with the knowledge that a competitor could avail itself of the inventive concept without the product or market development expenditure. Thus, the C.A.F.C. decision in *Festo* would have, at least, a chilling effect on the potential for licensing inventions by the research community to the extraordinary detriment of the American public. By parity of reasoning, the C.A.F.C. decision could also have a chilling effect upon the willingness of particularly the academic institutions, but also of the government and other research sponsors, to fund further research knowing that the patent coverage obtainable could be so narrowly focused as not to support a competitive advantage.

The scope of this concern is not trivial. In 1999, there were 417 new products introduced which were based upon university research. In addition, 344 new companies (spin-outs) were formed, and $862 million in licensing income and fees were generated from about 8,300 licenses. Moreover, the university sector had 18,617 licenses and options extant and active in that year with reported product sales from 25% of those active agreements. The university sector also received over 12,000 new invention disclosures upon which patent applications and, ultimately licenses, could be based. *See* AUTM LICENSING SURVEY, FY 1999.

The *en banc* majority of the C.A.F.C. in support of its decision stated the following belief.

> [Under the complete bar approach], technological advances that would have lain in the unknown, undefined zone around the literal terms of a narrowed claim under the flexible bar approach will not go wasted and undeveloped due to fear of litigation. The public will be free to improve on the patented technology and design around it without being inhibited by the threat of a lawsuit because the changes could possibly fall within the scope of equivalents left after a claim element has been narrowed by amendment for a reason related to patentability. This certainty will stimulate investment in improvements and design-arounds because the risk of infringement will be easier to determine.

Festo v. SMC, 2000 U.S. App. LEXIS 29979 at *21 (Fed. Cir. Nov. 29, 2000). It is submitted that the Courts statement is of doubtful validity for the following reasons:

If the competition finds that it can avoid the potential infringement of a patent by making insubstantial changes to a product or process while achieving the same, or essentially the same result without going to the expense of truly "designing around" the patent, it is most likely this approach will be used. If anything, the nature of the decision would not encourage the exploration and ingenuity often necessary to

"design around" a given patent when that goal can be reached through the avenue of incorporation of trivial or insubstantial changes.

What is often overlooked is the cost and effort that a patentee or its licensee must expend to develop a market for a new or improved product or process in addition to developing the product or process itself. Inasmuch as most basic research-based inventions tend to be embryonic in nature the commitment by a university licensee must be substantial to accomplish both development goals. Under the C.A.F.C. decision, a potential competitor of the university licensee would have the opportunity to wait for the licensee to develop both the product or process licensed and the market for it, make insubstantial or trivial changes schooled by an examination of the prosecution history of the patent licensed, and enter the then known market without the development expenses required of the licensee. That capability would discourage, rather than encourage, a true effort to "design around." It would simply not be necessary. It would, therefore, discourage the exercise of creative ingenuity intended to be fostered by the U.S. patent system. It would also offer tantamount to a free license to foreign companies and countries to avail themselves of new technological concepts and entry into the marketplace in direct competition with U.S. industry at home and competitiveness in the global economy.

This reasoning comports with that of Judge Newman in her dissent where she states:

> The assumption that placing new technology in the public domain is always the optimum path to industrial growth is not supported by experience. Empirical studies have added rigor to the common sense knowledge that reduced profit opportunity affects the supply of capital to launch a new technology, and often the creation of the technology itself.

See Festo v. SMC, 2000 U.S. App. LEXIS 29979 (Fed. Cir. Nov. 29, 2000) (Newman, J., dissenting).

In the passage of the Bayh-Dole Act, Congress recognized that: 1.) Imagination and creativity are truly a national resource; 2.) The patent system is the vehicle that permits us to deliver that resource to the public; 3.) Placing the stewardship of the results of basic research in the hands of universities and small business is in the public interest; 4.) The existing federal patent policy was placing the nation in peril during a time when invention and innovation was becoming the preferred currency in foreign affairs.

The United States cannot afford the luxury of casting away its doctrine of equivalents on the mere hope of a gain from a copyist whose primary goal is to profit from someone else's work. For this cause, we again respectfully request this Honorable Court to reverse the decision of the Court of Appeals for the Federal Circuit.

III. THE DOCTRINE OF EQUIVALENTS IS VIRTUALLY ABOLISHED

The doctrine of equivalents allows a patent holder to enforce its patent against the maker of a product or process that does not fall within the literal scope of the patent claims, if the accused device or process infringes a patent holder's patent under the doctrine of equivalents. The patentee may recover if the accused device substantially performs substantially the same function in substantially the same way to achieve substantially the same result as the patented device or process. *Machine Co. v. Murphy*, 97 U.S. 120, 125 (1877). However, if the patentee is barred from complaining about the infringement under the doctrine of equivalents due to prosecution history estoppel, the infringer reaps a great windfall.

The purpose of the doctrine of equivalents is to prevent this type of fraud by proscribing the making, using or selling of a device that is essentially the same as the patented invention, but which does not fall within the literal scope of the patented

claims. The doctrine balances the public need to rely on the literal scope of the claims with the inherent limitation of claim language; it provides an equitable means by which courts may determine ". . . the degree to which it is necessary to depart from the [literal] meaning [of the patent claims] to reach a just result." *Royal Typewriter Co. v. Remington Rand, Inc.*, 168 F.2d 691, 692; 77 U.S.P.Q. 517 (2d Cir. 1948).

The doctrine of equivalents has been a venerable doctrine in the patent law of the United States from *Winans v. Denmead*, 56 U.S. 330 (1853), to *Warner-Jenkinson v. Hilton Davis*, 520 U.S. 17 (1997).

In *Winans*, the Court stated the doctrine as follows:

> Where form and substance are inseparable, it is enough to look at the form only. Where they are separable; where the whole substance of the invention may be copied in a different form, it is the duty of the courts and juries to look through the form for the substance of the invention—for that which entitled the inventor to his patent, and which the patent was designed to secure; where that is found, there is an infringement; and it is not a defence, that it is embodied in a form not described, and in terms claimed by the patentee.

Winans v. Denmead, 56 U.S. 330, 343 (1853). In 1997, this Court in *Warner-Jenkinson v. Hilton-Davis*, held that the doctrine of equivalents continues as a viable doctrine in U.S. patent law. *See Warner-Jenkinson*, 1997 U.S. LEXIS 1476, at *4.

Equivalence is an equitable concept, having no definable boundary. The sole task of the courts should be to decide whether or not the accused device falls within this intangible area of equivalence as the courts are seeking the most equitable outcome based on the facts of each case. A generic rule such as that articulated by the C.A.F.C. in *Festo*, puts the doctrine of equivalents in an unusable strait jacket.

The C.A.F.C.'s rule in *Festo* has greatly reduced the availability of the doctrine of equivalents to do justice to existing patents and has opened the door to unchecked fraud in the marketplace by taking away the power of courts to do justice under the rule of *Winans* and *Warner-Jenkinson*.

IV. FESTO HAS SHAKEN THE FOUNDATIONS OF PATENT LAW

Numerous questions are raised and left unanswered by the C.A.F.C. *Festo* decision. The impact on prior cases which relied upon *Warner-Jenkinson* but which are unlitigated poses serious problems for the patent owners: Will *Festo* overrule *Warner-Jenkinson*? Upon what law should the litigant rely? Upon what law should applicants rely? Should the U.S. Patent Office revamp or revise its rules and regulations to conform to Festo? Should the Patent Office continue to rely upon the Supreme Court ruling in *Warner-Jenkinson*? Should applicants in prosecuting patent applications adapt to the C.A.F.C. rule on prosecution history estoppel?

Should an applicant assume that every claim narrowing amendment, whether voluntary or involuntary, made to comply with any provision of the patent act (whether the extent of narrowing is required or not), automatically create prosecution history estoppel regardless of the reason for the amendment? The C.A.F.C. in *Festo* answered this question in the affirmative. *See Festo*, 2000 U.S. App. LEXIS 29979, at *11.

However, the U.S. Supreme Court answers this question in the negative. The Court ruled in *Warner-Jenkinson* that "where the reason for the change was not related to avoiding the prior art, the change may introduce a new element, but it does not necessarily preclude infringement by equivalents of that element"? *Warner-Jenkinson*, 1997 U.S. LEXIS 1476, at*13. There is an urgent need for clarification between these two competing holdings.

We urge this Court therefore to overrule the United States Court of Appeals for the Federal Circuit to settle these questions, for without this Court's guidance, the current state of the law could cause a waste of enormous resources.

The economics of acquiring, maintaining and defending a patent portfolio will greatly increase under the new C.A.F.C. rules on prosecution history estoppel and the doctrine of equivalents. It will now require all prudent inventors to: 1.) File patents of narrower scope; 2.) This will lead to more patent filings; 3.) Applicants will be less compromising with examiner proposed language; 4.) Perhaps more appeal proceedings from PTO prosecution rejections will ensue; 5.) Fewer applications will be filed by the research community overall to protect basic research results due to lack of discretionary funds with which to pay the increased costs; 6.) Fewer applications will mean less opportunity for the public to benefit from the results of basic research (most of which is funded with taxpayer dollars); 7.) The Patent Office would expand its practice of issuing adjacent patents, which are so close to issued patents that they basically co-opt the core invention of the issued patent.

Festo fails to aid in protection of basic research/inventions at a time when inventions are the preferred currency of foreign affairs. *See* H. Bremer. *University Technology Transfer Evolution and Revolution*, (manuscript on file with author and COUNCIL ON GOVERNMENTAL RELATIONS (COGR) for their 50th Anniversary).

Again, we urge this Honorable Court to overrule the United States Court of Appeals for the Federal Circuit in the case at bar.

CONCLUSION

Given the diversity of opinions expressed among the judges on the C.A.F.C., the success or failure of a litigant before that tribunal is not predictable given the uncertain state of the law.

Rights of litigants and the outcome of cases should not vary dependent upon the views of a particular jurist, but rather upon clearly articulated principles of law as established by the United States Supreme Court or the United States Congress.

For all of the foregoing reasons, the *amicus curiae* respectfully prays that this Honorable Court overrule the United States Court of Appeals for the Federal Circuit in the case at bar.

Respectfully submitted,

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